

BOA BURKINA FASO

Credit rating note
April 2015

Category of values	Rating scale	Currency	Current rating	Previous rating	Outlook
Long Term	Regional	CFA	A	N/A	Positive
Short Term	Regional	CFA	A1-	N/A	Positive

Bloomfield Investment Corporation
Telephone: + (225) 20 21 57 47/ 20 21 57 49
Fax: + (225) 20 21 57 51
Jean Paul TONGA, Operations Manager
p.tonga@bloomfield-investment.com
Frederic EKRA, Senior Financial Analyst
f.ekra@bloomfield-investment.com
Yannick YAPI, Senior Financial Analyst
y.yapi@bloomfield-investment.com
www.bloomfield-investment.com
Basic financial data:

In million CFA	2010	2011	2012	2013	2014
Total balance	228 508	285 949	348 130	414 027	497 141
Interbank claims	48 102	46 522	40 590	32 009	34 787
Claims on customers	119 417	139 206	191 615	273 372	340 584
Interbank debt	2 926	27 915	41 101	76 487	118 319
Debt to customers	197 892	223 018	261 785	287 061	323 570
Equity	17 631	22 878	28 955	34 145	44 128
Interest margin	5 495	6 541	7 897	11 405	13 070
Net banking income	12 338	15 978	20 575	25 024	26 837
Gross operating income	5 695	8 564	11 466	14 637	14 857
Net income	3 064	4 898	7 916	10 153	10 478

Introduction

Bank of Africa Burkina Faso (BOA Burkina) is a banking institution established on 12 March 1997 with a capital of CFA 11 billion as at 31 December 2014. Since 30 December 2010, BOA Burkina is the fourth (4th) bank of the BANK OF AFRICA Group to be listed on the regional stock exchange (BRVM).

Justification of the rating and outlooks

Long-term: High credit quality. Protection factors are good. However, risk factors are more variable and more significant in periods of economic pressure.

Short-term: There is very high assurance for timely repayment. Liquidity factors are strong and are supported by good protection factors of key elements. Risk factors are very minor.

The rating is based on the following positive factors:

- a growing business
- a clear comprehensive strategy and effective management, in line with the Group's vision
- increasing operating performance
- stronger internal risk control and management system
- low exposure to credit risk
- good funding flexibility as a BOA group member
- maintenance of its strong market position
- assumed strong support of the majority shareholder

Below are the main rating factors regarded as negative:

- Credit growth rate higher than that of resources;
- Relatively high concentration of outstanding loans in the cotton sector that depends on exports;
- political uncertainty with the upcoming general elections;
- equity should be strengthened;
- intrinsic liquidity should be improved.